



Fund

Fund Council

9th Meeting (FC9)—New Delhi, India

April 25-26, 2013

Proposal to the CGIAR Fund to increase the W1-2 share of CRP 3.7

(Approved)

*Document presented for Agenda Item 9:
Proposal on W1/W2 Share of CRP 3.7 Budget*

*Submitted by:
Consortium Office*



Proposal to the CGIAR Fund Council to increase the W1-2 share of CRP 3.7

Background

Donors for the CGIAR Research Program on Livestock and Fish (CRP3.7) have demonstrated greater than expected support to the program through their W2 commitments. Based on the first year of the program, W2 commitments alone are expected to exceed the approved \$35.2m W1/W2 budget (see projections in table 1). While donors have indicated clear support for the program through W2 funding, the second reality is that the program began with a large shortfall in W3/bilateral funding: as the program started in January 2012, the four partner centers had collectively mobilized 32% of the total program funding that they committed in the CRP3.7 proposal to bring to the program from W3/bilateral sources. By the end of 2012, the program has been able to raise this figure to 35% of the targeted total (table 2).

The CRP therefore faces a dilemma of considerable donor support directly through the Fund Council, but with insufficient bilateral funding to deliver on it convincingly. In 2012 the Consortium did not propose an allocation of W1 funding to this CRP because the full annual budget was covered from W2. Given that the approved share of W1-2 as a share of the total was relatively low, the program's request (see attached below) to increase this share to 50% would not bring it out of line compared with the rest of the portfolio (maximum is currently 80%). The Consortium Board approved the request of CRP3.7 on March 5 and requests that the Fund Council does the same.

Recommendation:

The Consortium recommends that the Fund Council approves increasing the share of W1-2 funding for the CRP on Livestock and Fish from the current 35.3% (\$35.2M) to 50% (\$49.8M) while keeping the total approved budget constant at \$99.6M (see revised financial summary in annex 1).

Letter to the CEO of the CGIAR Consortium from the Director of CRP3.7:

Frank Rijsberman
CEO CGIAR Consortium

Dear Frank,

We are writing to request that the current Program Implementation Agreement for CRP 3.7 (CGIAR Research Program on Livestock and Fish) be amended to allow for the share of funding from Windows 1 and 2 to increase from the originally proposed 35.3% (\$35.2m of the total program budget of \$99.6m) to an upper limit of at least 50% (\$49.8m) of the total program budget. The overall program budget will remain as approved in the PIA. We propose this change to reflect two funding realities that have emerged as we have initiated the program.

The first reality is that donors have demonstrated greater than expected support to the program through their W2 commitments. Based on the first year of the program, we expect W2 commitments alone to exceed the approved \$35.2m W1/W2 budget (see projections in table 1). While donors have indicated clear support for the program through W2 funding, the second reality is that the program began with a large shortfall in W3/bilateral funding: as the program started in January 2012, the four partner centers had collectively mobilized 32% of the total program funding that they committed in the CRP3.7 proposal to bring to the program from W3/bilateral sources. By the end of 2012, the program has been able to raise this figure to 35% of the targeted total (table 2).

We therefore face a dilemma of considerable donor support directly to the program through the Fund Council, but with insufficient bilateral funding to deliver on it convincingly. In line with the clear aims of the Consortium and Fund Council to increase the proportion of total system funding that is streamed through W1/2 modalities, we want to continue to encourage donors to maintain, and even increase, the level of W2 funding that they deliver to this CRP. However, we anticipate the existing cap on the share of W2 funding for this CRP will at some point restrict donors from contributing additional W2 funding. Raising the share of the program budget that can be met through W1/W2 funds will allow anticipated donor W2 commitments help correct this imbalance and ensure that all parties can continue to work towards the Consortium's goal of increasing W1/2 funding to 60-70% of total system funding.

We appreciate your support in presenting this proposal to the Consortium Board on our behalf and, if approved, to the Fund Council.

Best regards,

Tom

Thomas F. Randolph | Director

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Table 1. CRP3.7 W1/W2 budget as originally proposed, current and projected donor commitments

Million \$	Proposal	Current Commitments			Projected W2 Commitments**	
	Budget	W1*	W2	Total	Low	Medium
2012	10.3	0	19.2	19.2	19.2	19.2
2013	11.9	7.0	4.1	11.1	9.0	11.2
2014	13.0	0	4.1	4.1	8.5	10.8
TOTAL	35.2	7.0	27.4	34.4	36.6	41.2

*Expected 2013 W1 from Table 5, 2013 CGIAR Financing Plan (v. 12 Feb 2013)

**Low scenario assumes only two donors (Australia, USA) continue their commitments at 2012 levels; Medium scenario assumes other donors also continue their commitments at 2012 levels.

Table 2. CRP3.7 W3/bilateral budget as originally proposed and as funded

Million \$	Proposal	Funding mobilized as of:	
	Budget	Jan 2012	Dec 2012
2012	19.4	10.3	11.2
2013	21.9	6.0	6.4
2014	23.1	4.6	4.6
TOTAL	64.4	20.9	22.3
% of Total		32%	35%

CGIAR Fund
CRP FINANCIAL SUMMARY

Status:	In implementation
Date:	April 2013
CRP No	3.7
CRP Name	More meat, milk, and fish
Lead Center	ILRI
Participating Centers	CIAT, ICARDA, WorldFish
Number of Years	3
CRP Start Date	January 2012

Total Amount Requested from Windows 1 & 2

\$49.79 million

Comments:

There is a higher level scenario presented for the "Global Outcomes" component (see below).

(in US\$ million)

FINANCING PLAN (for the base model)	TOTAL	Year 1	Year 2	Year 3
1. Core	99.6	17.1	34.5	48.0
of which				
(a) Amount Requested from Windows 1 and 2	49.8	7.7	17.9	24.2
(b) from Window 3	1.3	0.0	1.2	0.1
(c) Direct Bilateral	47.5	8.3	15.4	23.7
of which				
Secured Funding*		8.3	6.5	3.7
Other income	1.0	1.0	0.0	0.0
2. Expanded Funding Component**	20.1	0.0	13.6	6.5
3. Total Financing (3 = 1 + 2)	119.7	17.1	48.1	54.5

* Secured funding represents estimated bilateral funding covered by confirmed pledges or signed agreements, whereas unsecured funding is otherwise

**Additional unanticipated funding, to be financed from Window 3 and/or Direct Bilateral

(in US\$ million)

WINDOW 1 AND 2 COMPONENT	TOTAL	Tranche 1	Tranche 2	Tranche 3	Tranche 4	
DISBURSEMENT SCHEDULE		<i>Jan-March</i>	<i>April-June</i>	<i>July-Sept</i>	<i>Oct-Dec</i>	TOTAL
Year 1		2.9	1.3	0.0	10.1	14.2
Year 2		1.0	3.9	3.9	3.9	12.7
Year 3		5.7	5.7	5.7	5.7	22.9
Year 4						
Year 5						

49.8

(in US\$ million)

EXPENDITURE BUDGET	TOTAL	Year 1	Year 2	Year 3
1. Program costs	83.5	14.5	28.9	40.1
of which				
Personnel Costs	35.5	7.5	11.3	16.6
Supplies and Services	27.2	4.8	9.3	13.1
Operational Travel	3.2	1.0	0.9	1.3
Collaborators/Partnership Costs	16.3	1.1	6.1	9.0
CGIAR Centers				
NARES, NGO, ARI		1.1	6.1	9.0
Capital	1.3	0.0	1.2	0.1
2. Admin Costs	16.1	2.5	5.7	7.9
3. CGIAR System Costs (included in admin cost)				
4. TOTAL (4 = 1 + 2 + 3)	99.6	17.1	34.5	48.0